

EXHIBIT F

S&P Global

Market Intelligence

Iris Energy Limited NasdaqGS:IREN

FQ3 2022 Earnings Call Transcripts

Wednesday, May 11, 2022 9:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ3 2022-			-FQ4 2022-	-FY 2022-	-FY 2023-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	0.07	-	-	0.16	1.03	2.07
Revenue (mm)	14.00	15.20	▲8.57	20.36	64.58	298.67

Currency: USD

Consensus as of May-05-2022 11:21 PM GMT

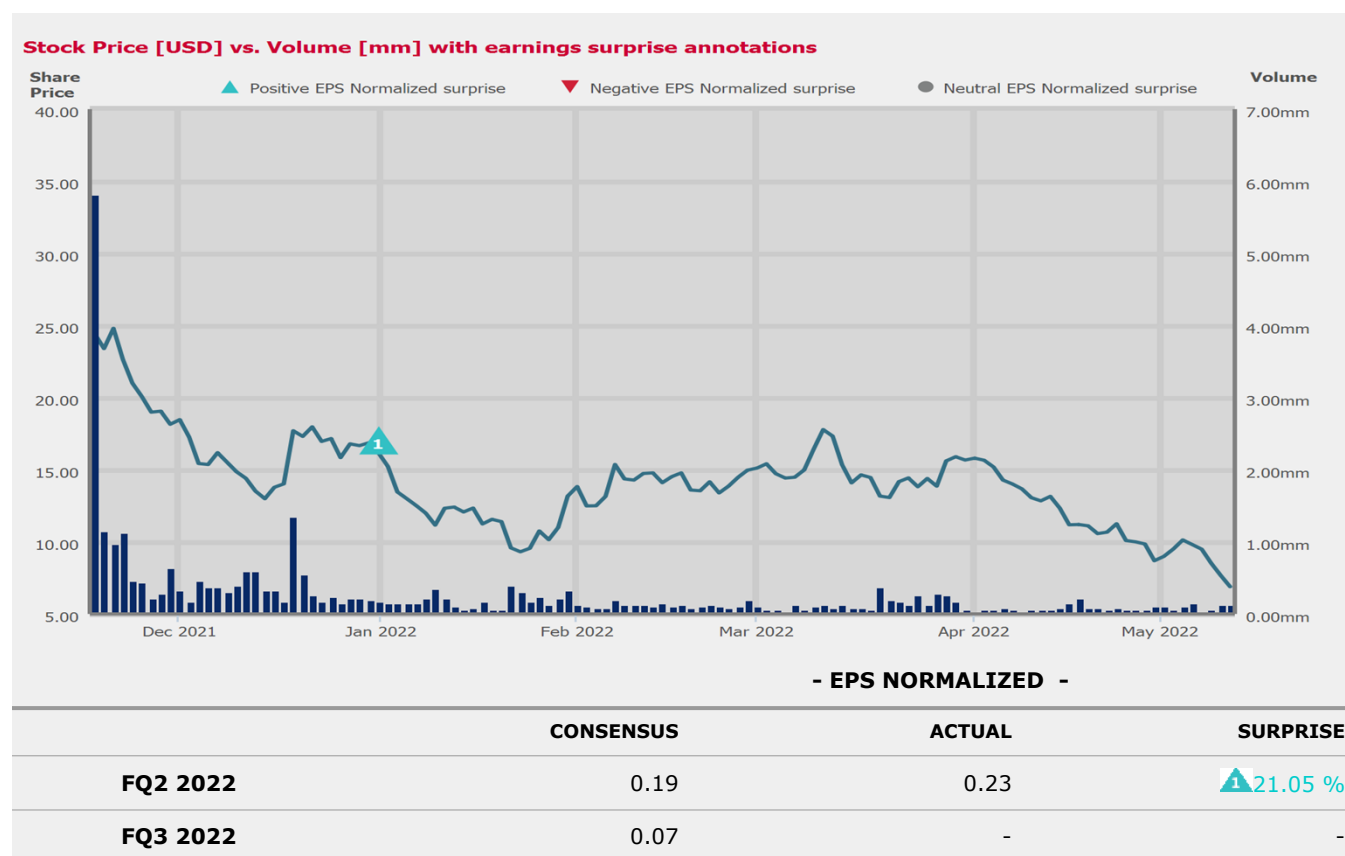


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Call Participants

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Presentation

Operator

Thank you for standing by, and welcome to the Iris Energy Limited March Quarter Earnings Conference Call. [Operator Instructions]

I'd now like to hand the conference over to Mr. Kane Doyle, Senior Manager, Investor Relations. Please go ahead.

Kane Doyle

Thank you. Good afternoon for those of you in North America, and good morning for those of you in Australia, and welcome to the Iris Energy earnings conference call for the third quarter ended March 31, 2020. I am Kane Doyle, Senior Manager, Investor Relations, and with me on the call today is Daniel Roberts, Co-Founder and Co-CEO; Lindsay Ward, President; and Anne Hayes, our Interim Vice President of Finance.

Before we begin, please note, this call is being webcast live with an accompanying presentation and includes ability for participants to ask a question via the live chat box. For those that have dialed in by phone, you can elect to ask a question via the moderator after our presentation.

I'd like to remind you that certain statements that we make during the conference call may constitute forward-looking statements, and Iris Energy cautions listeners that forward-looking information and statements are based on certain assumptions and risk factors that could cause actual results to differ materially from the expectations of the company. Listeners should not place undue reliance on forward-looking information or statements. Please refer to the disclaimer on Slide 2 within the accompanying presentation.

Thank you, and I'll now turn the call over to Dan Roberts. Dan?

Daniel Roberts

Thanks, Kane. Hi, everybody. Thank you for joining us on our earnings call. What a day to have an earnings call. It's certainly been interesting out there over the last few days or week.

In terms of where I'd like to start is just discussing where we're at in terms of the hashrate build-out. As you'll be aware, we conducted our IPO on the Nasdaq November last year and spoke about the execution and expected operational ramp-up. And it's another opportunity today to reiterate that we are delivering against what we said we would deliver.

If we see the bottom left-hand side, our first site at Canal Flats. We forecast that to be completed by December last year. It was completed around mid-September, ahead of schedule. The original forecast capacity for that site was 700 petahash. It's now operating today at around 850 petahash.

If we then look to the next bar, we've now hit operational commitment at our second site as of April 12 in Mackenzie, British Columbia. The first 9 megawatts was energized in mid-April, again, ahead of schedule.

In terms of the look forward, Lindsay will go into a little bit more detail around the specific sites and their specific ramp-up profile. But again, we reiterate previous guidance around the expected construction ramp-up and installation of our chips: 10 exahash by early next year and then the full 15 exahash as deployed in accordance with deliveries under the BITMAIN contract.

If we move on to the next slide, in terms of a little bit more about the team, many of you would have seen a slide like this or similar. Yes, it's about USD 1 billion of CapEx required to deliver our 15 exahash, but that should be looked at also in the context, not only of our track record within Iris, but the team's track record outside of Iris.

Collectively, we have over 100 people globally now under the Iris banner, and the leadership and management team has delivered over \$25 billion of energy and infrastructure projects, not just in Australia in the Asia Pacific region, but globally, as well: David Bartholomew, but who many of you have met previously, obviously, a decade of experience running a listed energy and infrastructure business on the Australian Stock Exchange. Lindsay Ward, our President, who will talk next about the operations and more site-level information. He's obviously got decades of experience building, managing and operating infrastructure businesses.

So yes, it's a task in the context of the industry that we operate, being Bitcoin mining data centers. But ultimately, we're just building hard assets, data centers, infrastructure, energy infrastructure. And it's not overly foreign for the team, having done it many times before in similar guises.

In terms of what we're building, again, just to recap, we're building for the long term. We believe in Bitcoin. We believe it's here to stay. Yes, it's volatile as we continue to see. Will and I have been in the sector since 2013, so we've seen it go up, we've seen it go down, but it tends to go up over an extended period of time. At the end of the day, it's very difficult to see how Bitcoin doesn't continue to thrive beyond the near day-to-day volatility. And we are building a platform with a multi-decade lens to monetize that.

We've spoken a lot previously around the proprietary design of our data centers. We don't do shipping containers. We don't do warehouses with industrial transformers and retrofitting programs. We build, own and operate our own data centers with our own proprietary ventilation and airflow design. And we're seeing that come through to benefits in terms of operational performance.

And importantly, for us, is also asset life. These computers, the assets, they're extremely valuable, as we all know, and looking after them for the long term to get the most economic asset life out of them as possible is a really important focus for us.

Recapping where we're at with financing. As we've mentioned before, we conducted our IPO on the Nasdaq last November. JPMorgan, Canaccord, Citi led that IPO with a number of other players mentioned on that screen assisting. We continue to have a good relationship with all of those parties, and they've been very supportive over the last 6 months.

In terms of where we're at in funding to deliver the 15 exahash, as I mentioned previously, it's about \$1 billion of CapEx in totality. So that's from start to finish, \$1 billion in total. We've secured through equity, a little bit of debt and reinvesting some operational cash flow. We're looking at around \$750 million of that \$1 billion already accounted for, and the balance underway in terms of seeking additional debt and funding to complete it.

We're not immune to the current market and what's happening out there day to day at the moment. But we can say that we have multiple formal debt processes underway. We haven't seen them impacted by the volatility over the last week or 2. That's not to say that they won't be at some point. We're realistic. But sitting here, right here, right now, the strength of our balance sheet, our operational performance, the daily cash flows that we're generating, we're feeling pretty good about it.

And maybe just to recap, the debt that we have today is all on a nonrecourse, ring-fenced basis, secured against some of the computers that we procured. The balance is all equity. So it's a very clean balance sheet. It's a strong balance sheet. It was done very deliberately. Now is the time to layer in debt funding on top of that, recognizing that we've now demonstrated a track record building out multiple sites, generating daily cash flow as we said we would, and now looking to use that cash flow to service debt products. So stay tuned. We're obviously focused very heavily on it at the moment, but very pleased with where it's at sitting here today.

In terms of where we're at as a listed company, it's been an interesting journey to say the least. We do have a large hashrate ramp, as I've alluded to earlier in this presentation. And as many of you on this call would already be aware, we are delivering. We're doing what we said we would do at the IPO, and that's our intention. We will endeavor to continue doing what we say we will do. We publish detailed monthly reports, not just with our monthly operating metrics, but also in terms of individual, site-by-site updates on the status of construction, lead item procurement and expected operational commencement date.

As you can see from the chart, we are trading at a discount to the comps. I'll never seek to guess what an equity market does day-to-day. But even on the basis of just the 10 exahash in early 2023, let alone the 15 that we have under contract for delivery by September next year, we're obviously sitting in a fairly interesting position sitting here today. But we'll continue to keep our head down, keep doing what we said we'd do and execute and deliver these projects.

We've shown this slide a couple of times over the journey, and I would encourage everyone to spend a little bit of time in it. At the end of the day, we are treating this as a cash flow business today. As you're all aware, we're liquidating the Bitcoin daily. In some ways, that decision continues to be vindicated with others now considering selling the Bitcoin on their balance sheet. We've been selling at \$60,000 a coin, selling at \$50,000 coin. We will continue to sell here at \$30,000 a coin.

We are reinvesting that cash flow in building out the 15 exahash we have under contract. And if we zoom out, ignore the noise and the day-to-day gyrations of the market and pricing, at the end of the day, the cash flow that this business will be producing at 10 exahash, let alone 15 exahash, is extremely exciting for us and everyone involved with the business.

There's a link to a calculator in the notes there, where you can input your own assumptions around Bitcoin price, global hashrate, power costs, et cetera. Again, that's the -- essentially the essence of a Bitcoin mining business model. I strongly encourage everyone to understand it and digest it.

On that note, I am pleased to now pass to Lindsay Ward, our President, who will go through the individual sites and a little bit more about the operations.

Lindsay James Ward
President

Okay. Thanks, Dan. And my role today is just to give a fairly detailed overview of our operating sites, how we're managing the supply chain challenges, a little bit of a focus on ESG and also just to talk about our execution strategy.

It's not that long ago that we started our first site at Canal Flats in British Columbia. When you fast forward to today, we're quickly advancing the construction of our 3 sites, 3 additional sites, which is spread geographically across North America. We've got 1.1 exahash of computing power operational at the moment. And as Dan has talked about, we're working diligently and proactively towards deploying another 14 exahash by Q3 of 2023 calendar year.

In my view, our business is pretty simple. It really comes down to how well we execute on our strategy, our deployment schedule, how we execute on our construction and then how we perform as operators. Critical to our success is the internal construction and operating teams that we've now assembled. We're continuing to grow those teams. We're welcoming senior executives, support staff, engineers and all points in between to our business on a regular basis. And I think it's a great mix of people that we've assembled, a good mix of gray hair, a good mix of youth, quite a diverse workforce. And the great thing is that we enjoy working with each other. We're having a bit of fun along the way, and we're really focusing on building out our 3 sites.

So I'll now go on to talk in a little bit more detail about our operating and construction sites, starting with Canal Flats. That was -- it's our first -- our inaugural site. There's a picture there of the Canal Flats facility. It's a 30-megawatt site. It's powered predominantly by hydroelectricity, and we're consistently running at about 0.85, 0.87 exahash, which exceeds what we previously expected to get, which was 0.7 exahash. And that's really just focusing on the 1 percenters and really trying to optimize how we operate our facility, and that's really in our DNA. And so you see we've gone from 0.7 up to 0.85 exahash, which we're really proud of.

It is a highly efficient proprietary data center. We've invested a lot of time and effort into optimizing that design, and we have been consistently ranked as one of the top efficient miners in terms of Bitcoin mined per exahash by some independent analysts. And we're really pleased to see that our team on site, particularly at Canal Flats is getting that recognition.

In terms of our data center design, we are continuing to optimize it. There's lots of improvements that we're looking at on a regular basis. Canal Flats is our center of excellence and our primary R&D facility, and we put a lot of timing and effort to trialing things and looking at different things and seeing how we can improve how we operate.

One of our big advantages is that we don't simply rely on our fans and our computers to keep our chips cool. You can see in that picture the big fans on top of the roofs. The large exhaust fans, that they adjust their speed to the ambient temperature. So they ramp up and down, optimize miner performance and optimize ancillary power consumption. And that's really key to our success is the design of that integrated system.

Our mine has performed exceptionally well in the extremes of weather, both in winter and summer. And one of our innovations is the way in which we recirculate the hot air coming from the miners, reinject that back into the inlet air, and that gives us a consistent temperature throughout our data centers, particularly in winter. And that has a great impact on life and also optimization of the chips themselves. We're now taking our Canal Flats standardized design and the improvements that we've trialed and investigated and starting to roll those out to Prince George, Mackenzie, both in British Columbia and then down in Childress.

Another key point, which is a little bit different for us is that we've got quite an extensive facility in Canal Flats that's a fabrication facility. It's contributing a lot of the materials and the know-how to the facilities themselves, and that really does give us confidence in delivering schedule and delivering quality outcomes and at a really effective price. So that's again one of our competitive advantages for our British Columbia-based facilities.

So moving on to Mackenzie. It's also in British Columbia. And Dan mentioned that we successfully commissioned the first 0.3 exahash of capacity in April. This is well ahead of schedule. It's run exceptionally well since operation started. It's set around that 0.3 exahash day in, day out. We haven't had a hiccup. And I think that says a lot to the team who have really spent a lot of time getting the control systems and the design right and the implementation right. And you can see 3 of our key operators there on site and also our co-founder, Will Roberts was there on site a couple of months ago inspecting the operations before we went live.

So construction at Mackenzie continues. We're progressing to schedule. We'll add the balance of the initial 1.5 exahash that will come online in Q3 of this calendar year. And then the remaining 0.9 exahash will come online in 2023.

So when we're finished at Mackenzie, we'll have 2.4 exahash. And like our Canal Flats facility, it's powered by BC Hydro, so predominantly hydro energy is powering all our facilities in British Columbia.

So our third site is Prince George. Again, it's moving along quite nicely. You can see in the picture there that we've erected steel on our first data center. The foundation works are progressing to plan for our second and third data center buildings. We'll soon start fitting out the data center itself. We move very quickly once we've got the steel up, and then we'll move quickly on to the other data centers.

So we're confident that we'll deliver this in Q3 2022, and that will be around about that 1.4, 1.5 exahash. And there's a further 1 exahash that we'll deliver in 2023.

So again, Prince George is an active site. Pleasingly, it's within a couple of hours drive of Mackenzie, so we're getting quite a lot of synergies in terms of labor, supervision and know-how. And we're bringing a lot of our key people from Canal Flats that came into Mackenzie and then they're coming down into Prince George. So we're getting a very -- consistency in delivery and a lot of confidence in how we're putting things together.

And equally, when we do have issues, the guys are really knowledgeable. They've seen it before. They know how to troubleshoot it fairly effectively.

So our fourth site is in Texas, in Childress. It's an amazing facility. I've been down there this week for my second visit in the last couple of months. We're making good progress with the access road in, and the

further bulk earthworks will start later this month or early June. And so that's looking incredibly exciting and certainly, really embraced by the local community. And I'll touch on that a little bit more in the next couple of slides.

So just to elaborate and go back on a little bit of Childress. It is a transformational opportunity. We put a contract together with AEP, the Texas transmission company there. 600 megawatts we're locked in for. It brings our global capacity up to 795 megawatts, which is pretty exciting.

Construction is well underway. It is a big facility. We'll have it completed by Q3 calendar year next year. It will be housing 60% of our contracted 15 exahash of miners but it has the expansion capability to push us up to 23 exahash when you combine Childress with the British Columbia site. So again, it's pretty exciting.

Why did we go to Texas? Why are other Bitcoin miners looking at Texas as well? There really is abundant and excess renewable energy in Texas. The numbers are mind-boggling in some ways. There's around about 32 gigawatts of renewables in the Panhandle region alone. There's just not the transmission capacity to move that load down into Dallas and Houston. And so you've got very cheap available power.

The renewable generators, they really like flexible loads. They want those loads to be near where they're generating, so they're not relying on the transmission lines to move it all the way down into Dallas, as I've mentioned before. And so there really is a great synergy between the renewable energy generators and the Bitcoin miners coming into that Texas area.

And there's equally further renewables being designed, have been permitted. And they're just waiting for the right price signals to really come to market. And so that's going to keep a cap on energy prices in Texas for the long term, which is again, a great opportunity for us to take advantage of.

The next slide really go to our risk of execution. And I know there's lots being talked about supply chain constraints and many construction companies or projects, not just in the Bitcoin space, not delivering to schedule. I think one of our real competitive strengths is our laser focus on execution excellence and supply chain management. We've got a very experienced team of engineers, operators, real doers from the construction and the operating part of infrastructure projects from across the world. And that puts us in a great position to manage risk, understand risk and come up with strategies to implement, implement strategies that overcome those risks.

We've got lots of engineers. We've got asset managers. We've got operators. We've got maintenance personnel. We've got finances, safety professionals, support staff. They've all got industry experience, broad industry experience, not just in data centers, but across mining, energy, infrastructure, renewables. And it's that collective knowledge that really does go towards us having a competitive advantage when it comes to operational and execution excellence.

Going hand in hand with that is supply chain management. There are challenges out there. We don't walk away from that. But our experience has taught us to have multiple suppliers of key critical items don't rely on just one supplier. You've got to have really capable internal personnel with supply chain expertise who know what they're doing, who can work with suppliers, drive suppliers, incentivize suppliers to meet delivery schedules.

And the one thing I know I've learned over the years is don't leave supply chain management to others. That's not good business. You've got to do it internally. You've got to have your own people driving it because they're the ones that are really incentivized to look for innovation, to look for different ways of doing things and to ensure that we meet our time frames.

Equally, for us, we always get in early. Because we have a standardized design, we know what we're actually looking for. We know what we need to order. And in order to ensure we meet our time lines, we're booking slots early, we're incentivizing suppliers, and we're making sure we're meeting our time lines.

And we've got a great relationship with a number of our suppliers because we've got a consistent delivery of projects in that we've gone from Canal Flats to Mackenzie to Prince George and now down into Childress. We've got a consistent supply requirement for common equipment. And so we're able to lock in long-term supply deals with our suppliers, who know there's going to be a consistency of orders. So we're

getting competitive pricing, we're getting very committed time frames, and that's really helping us to get ahead of schedule and manage our supply chain risk.

And then finally, before I hand over to Anne to talk about the quarter finances, we're very serious about our social license to operate. We don't operate if we don't have one, and I think that flows through into ESG. It is fundamental to our business. And I think when you look at the background of Dan and Will and myself and the broader team, we've all come out of funds management, and I think we're all aware in Australia and all around the world, ESG initiatives are just becoming fundamental to fund managers. And so ESG is now, it's just natural to us. It's just part of how we operate.

It's no different to working safely, looking after the environment, treating company money as if it were your own, focusing on cost, driving performance. ESG is just part of one of the things you have to do to run really good businesses.

And so we love it. We're just part of the community. We love engaging with the community. I've been in Childress this week talking to many community groups, chatting to people outside the office that just come up to say good day, and just talking to a number of the suppliers and potential contributors to our project down there. And we really enjoy engaging with them. And so it's been great.

We're rolling out community grant programs across all our sites where we engage with community groups and provide grant funding for things that no one would ordinarily get grant funding. So it's sometimes the unheralded projects, the unsung projects that don't have the firepower to get money from governments or local county and the like. And we seek them out and actively help them to put grant funding packages -- sorry, programs together and come to us, and then we try and support them. So it really again is something that we enjoy.

In terms of risk management, it is fundamental to what we do. It's, again, part of our day-to-day assessment of each day's activities, our ordering our infrastructure. All aspects of our business are looked at in terms of what is the risk, how do we manage that risk. The Board has a detailed program of Audit and Risk Committees. They support the business actively, and there's various policies and procedures in place pertaining to risk management.

So again, ESG is key to us, it's about the community, it's about risk management, it's about our people. And we really do provide a great work culture and a great work environment for our people. And some of them have been with us since the beginning, but those joining us are soon jumping into our culture and really enjoying what's happening within our business.

So that's the operational and construction update, a little bit around supply chain management and ESG. And so I'll now hand over to Anne Hayes, our Vice President of Finance, to talk about our financial performance. Thanks very much.

Anne Hayes

Thanks, Lindsay, and hi, everyone. I'm going to talk through the financial performance for Iris. As you've heard from both Dan and Lindsay, there's been significant growth in the organization over the last year. And on this slide, obviously, that shows that. In the period, the quarter for March, we mined 357 Bitcoin, which is a 449% increase over what we had mined this time last year. And that's on the back of a 686% increase in our operating hashrate.

We returned revenue of \$15.2 million and adjusted EBITDA of \$7.3 million, both again, significant increases on the prior year, and gave us in the quarter a 48% EBITDA -- adjusted EBITDA margin.

In this slide, this is our EBITDA reconciliation adjusted. This is what the management team uses to manage our underlying or review our underlying performance. It allows us to eliminate some of the one-off and noncash items that are sitting in our P&L account.

So on this metric, we're looking at the 9 months, which gives a better view. Given the growth of the organization, the period for the full 9 months is a much better way to look at how we're going.

So we generated \$45.6 million in revenue, which is almost 10x that of the first 9 months in our financial year 2021. Our adjusted EBITDA for the 9-month period was \$27.3 million, and that was obviously greater than the prior year at just under \$1 million in 2021. And we had over the 9 months -- so I mentioned we had 48% EBITDA margin in the quarter, but over the year, that's a 60% adjusted EBITDA margin. And it's obviously significantly increased on the prior year.

Our financial performance. Now this slide -- this is our statutory financial profit and loss account, and we show this to you because this is what is contained in our financial statements. I would just flag to you on this slide -- and we did discuss it at Q2, just flagging the noncash items that are sitting in our profit and loss account and, obviously, have a very significant impact in the bottom line. And that relates to our expensing of our amortization of our share-based payments expense. But also the conversion of our convertible notes with a mark-to-market when the IPO was undertaken, and that has a very significant impact in our bottom line.

Finally, on to our balance sheet. We ended the period with \$158 million worth of cash and cash equivalents, and total assets of \$557 million. In quarter 3, our property, plant and equipment increased by \$113 million and mining hardware prepayments increased by \$15 million from the end of quarter 2.

This increase in the assets was funded both from our cash reserves that we had at the beginning of the quarter as well as an additional \$71 million in asset financing, a deal done with NYDIG. Our current and noncurrent borrowings also obviously increased as a result of that deal.

And that's a quick snapshot of our financial results, and thank you all for attending. I'll now turn you back to Dan for closing remarks. Thanks.

Daniel Roberts

Thanks, Anne. Just dropping off mute. So thanks, everyone, for dialing in. That's the end of the formal presentation from myself, Lindsay and Anne. Again, once again, thanks for all your ongoing support. We're pleased now to open it up to live Q&A.

Question and Answer

Operator

[Operator Instructions] Your first question comes from Paul Golding from Macquarie Capital.

Paul Alexander Golding

Macquarie Research

Great. I had a question around power as we get closer to Prince George being fully energized and Childress. What's the sort of power market out there right now in these respective locations in terms of PPAs, timing associated with that? And just trying to understand how market maybe getting crowded with entrants in terms of looking for some of this power. And then I have a follow-up.

Daniel Roberts

So there's 2 key markets for projects that we've announced, the 3 projects in British Columbia: Canal Flats, which has been operating for the last few years; Mackenzie, which was energized last month, the first phase; and then Prince George, as you mentioned, Paul, that is expected to be commissioned Q3 this year. And then the fourth site in Texas in Childress County, where Lindsay is at the moment.

There's 2 separate markets there. In British Columbia, it's a very stable energy market. It's a regulated market, which means we pay the same price for every kilowatt hour of energy we consume, 24/7, 365 days of the year. It's 98% renewable, the underlying market. We then take that to 100% renewable through the purchase of some renewable energy certificates. But that is an extremely predictable market by virtue of its regulated nature.

In Texas, probably a more familiar market for many on the call in the sector, it's a deregulated market, which means that market pricing is subject to market forces, supply and demand. And as many of you are aware, our site in Childress is in West Texas up in the Panhandle, where there's an enormous amount of renewables built, as Lindsay mentioned earlier. Something like 32 gigawatts of capacity and transmission line capacity for only like 12 gigawatts to export that down to the load centers in the Southeast. So there's a massive oversupply of power, renewable energy, up in the region in which we're specifically located.

In terms of the specifics around power price, what we've said to the market and what we expect, you can see that average power prices on a baseload basis in Texas is around \$0.03 to \$0.035 a kilowatt hour, with the opportunity to drive that substantially lower through operational levers. So the ability to participate in demand-response programs. There's a number of them available, the ability to throttle down the frequency of these chips dynamically in response to market price events where the power price might peak for a few hours or a day a year. There's a lot of operational levers we can pull to drive that even lower. And again, this is partly why we own and control the full stack of our infrastructure.

Not only do we own and control our proprietary data centers, the computers within it, we own the land. But importantly, we own all the electrical infrastructure, not just the low-voltage transformers. But we build the high-voltage substations that connect directly into these networks. What this does in terms of prepaying those expenses is obviates an expense line on an ongoing basis. But importantly, give us direct access into the market where we can control our interface with that market.

In terms of the specifics as to where we contract for that power, we've just conducted a detailed RFP process. We've had a number of proponents for proposals. We're now in negotiations with a short list of those parties. Expect to lock that in over the coming months. But again, given where we're at with the Childress construction, we have a little bit of time to work through exactly how we're going to manage our power price in the Texas market.

Paul Alexander Golding

Macquarie Research

And so I guess, just based on your comments, it sounds like the market is holding in a favorable place for you despite all the interest in this renewable in West Texas, right. In terms of your conversations with the power providers, you feel that the dynamics are holding still in this sort of favorable spot that you were describing in terms of the Texas rates.

Daniel Roberts

I think that's right, Paul. I think if we zoom out, Texas is a really big market if we focus there. And Bitcoin's still a really small market globally. And if you look at the context, Bitcoin's got, what? It's anyone's guess, right, because it's all anecdotal and estimates, but 6, 8, maybe 10 gigawatts globally of power.

The amount that's being built out in Texas to date and even forecast in terms of if you track the listed miners and a couple of the private, it's just a really, really small fraction. We're not seeing any impact. We're not seeing any impact to forecasts. As Lindsay mentioned before, like there's something like 40 gigawatts of renewables in permitting stage that are looking to be built. So there's no shortage of power.

Texas is obviously a very market-based economy where they respond to any price signals. Not that I believe that we're seeing evidence that prices are likely to go up. It's not really a focus of concern at the moment, Paul.

Paul Alexander Golding

Macquarie Research

Great. And if I could sneak one more in. I was wondering if you could give some color on what your thoughts are in terms of where the network hashrate may be going. We've talked about how locking in low-cost power is leverage in a volatile Bitcoin price environment and we're sort of there. So I just wanted to get your thoughts on what you expect, what your predictions, projections are in terms of global network hashrate at these levels.

Daniel Roberts

No problems. Look, we haven't published forecasts about global hashrate. We have views on some of the upward pressures and the downward pressures, which I'm happy to share. But as a business, we focus on what we can do and what we can control. And that's execute on our construction plan and operate what we believe to be one of the most efficient data center, Bitcoin mining businesses in the industry. We can't control the hashrate. We can't control the Bitcoin price, but we can control our operations.

In terms of the way we think about the global hashrate I think purely and simply, I'm not aware of many hardware orders that have been placed in the last 6 months from memory. The last ones may have been the BITMAIN XPs about 5, 6 months ago at \$80 per terahash, not for enormous volume. Yes, there's some capacity that was built -- sorry, procured 6, 12, even more months ago, where people sourced the capital, procured the miners. For whatever reason, they haven't been installed yet. Maybe that hits the market in the short term and hashrate floats higher. But that's then fighting, I guess, a dynamic where we haven't seen hardware orders, new ones, for quite some time.

I'm not so sure the current environment is conducive for many people ordering additional hardware, given what's happening with the state of the market today, at least. Again, that can change if the market responds, then potentially people will procure additional hardware.

But again, you've also then got to overlay a couple of other risks. The fact that a large portion of the industry still uses older facilities, so shipping containers, warehouses, where you see a degradation in the hashrate coming out of those facilities due to the conditions in which they're operating, dust, humidity, heat, et cetera. And then, of course, there's still geopolitical risk.

Anecdotally, we hear that there's still a substantial subportion of the hashrate in China. We understand there's a large portion in Kazakhstan, where it's got its own challenges. So there's this ongoing dynamic and tension, I think, between the hashrate wanting to float higher as a result of historical hardware

purchases and people looking to try and install them, combined with the downwards pressure of reality in the real world and the world we operate in.

Operator

Your next question is from Stephen Glagola with Cowen.

Stephen William Glagola

Cowen and Company, LLC, Research Division

Dan, I just want to unpack some comments earlier you made. So for the \$250 million capital needed to fund your expansion, just given the current market conditions, can you discuss how lenders are responding for any incremental equipment financing transactions you're looking at? And do you still feel confident in the nondilutive financing options that you see in general to fund growth?

Daniel Roberts

Thanks, Stephen. Look, we can only act on the information we've got in front of us, which is really positive in terms of direct interface with lenders and financiers via the debt processes we are running. But I have to temper that. Like we're not immune. We're looking at the market. We're seeing what's happening. We're not naive to the environment in which we operate. But in terms of the direct interface with the lenders throughout the last couple of months and into this week, we're not seeing any direct impact on those processes.

At the end of the day, I think the way a lot of the market is starting to look at our business is a green data center business that's mining Bitcoin rather than a Bitcoin, crypto-focused business that's looking to leverage and take substantial exposure to the underlying commodity. And when we're selling the Bitcoin daily, there is substantial cash flow. It's very difficult to argue with that. And for a lender, what have they been asked to believe in terms of providing finance? They've been asked to believe that Bitcoin is going to hang around, and they've been asked to believe that Bitcoin isn't going to go below a relatively low floor number to get in and out and get a really good rate of return for their investors.

So these are very different type of lens that lenders apply to the sector, I believe, compared to equity markets where you do have a lot of volatility, you do have a lot more exogenous factors mark-to-market, et cetera. But again, like I don't want to be overly optimistic and present a future that isn't reality. Like we are aware of where the markets are at.

I think one way I tend to think about it is we've still got 10 exahash unencumbered with no hardware financing. We just closed another \$71 million with NYDIG, where we encumbered 1.98 exahash of our computers. So round it to \$35 a terahash. You extrapolate that to 10 exahash, that's \$350 million just in the hardware financing capacity. And then if you look at the comparables in the sector, you're seeing hardware financing deals being done at \$50, \$60 plus a terahash. We only paid \$40. So there's a lot of latent debt capacity in that.

I think the reality of hardware financing though is they're not really large checks. No one is doing \$350 million. The typical check size and sweet spot for lenders in this sector is more around the \$30 million to \$50 million mark. And it's also a case that with our delivery schedule over the next 12, 15 months, lenders aren't looking to allocate capital for units that are being delivered March next year today and lock that capital up. So it's more likely a financing pathway that makes sense over time closer to delivery dates of the individual units.

But we're not waiting for that, which is why we've got these other multiple debt processes underway, looking up and down the capital structure. Hardware finance, we've mentioned; asset finance; TopCo debt facilities of various natures.

So sitting here today, we feel like we've got a very strong balance sheet, almost \$0.5 billion of equity sitting there, no corporate debt. The only debt is ring-fenced to some of the computers in SPVs.

We've proven the business model. We're generating operating profit today. We've got almost \$150 million of cash in the bank. We feel like we're in a really good position. But again, we're aware of the market and understand why the questions are coming.

Operator

Your next question comes from Joe Vafi from Canaccord Genuity.

Joseph Anthony Vafi

Canaccord Genuity Corp., Research Division

I just thought we'd start and kind of revisit some of your comments, Dan, on the size of the team, which is great building it out. It feels like a size of a team that big may be focused on continued business model expansion kind of just beyond where we are. I didn't know if you had any commentary on how you're looking at the medium term and the size of your team at this point? And then I'll have a follow-up.

Lindsay James Ward

President

Maybe I'll answer part of that. Sorry, there's a slight lag, sorry about that. Dan, I might add to just a part of that question and then hand back to you.

Just to put in context, that 100 currently involves also our site teams where we are actively constructing Prince George and Mackenzie. So we're self-delivering both those projects. We're not doing it through an intermediary. And so when you look at that 100, you need to put it in the context of we've got an operating facility at Canal Flats, we've an operating facility at Mackenzie. We've got construction at Mackenzie and Prince George. And then we're also opening up the opportunity down in Texas with construction there, where we are working closely with the Wood group as our EPCM contract there because we didn't have the abundant labor to self-deliver that ourselves.

But it's really a partnership where we're starting to grow out our Texas team. And we've got an Australian gentleman, Giles Walsh, who's started on site there, and we're starting -- when I was in Childress, we employed U.S.A. employee #2, and we'll start to build out that team. But I just thought it was worth giving the context that, that 100 not only covers corporate, operational but also the contract construction people that we need to just self-deliver those projects in BC.

Joseph Anthony Vafi

Canaccord Genuity Corp., Research Division

That makes a lot of sense. Most appreciated. Yes.

Daniel Roberts

Maybe just to add a couple of comments to that. Sorry, there's a bit of a lag, as Lindsay mentioned. I think if you look at what's required to operate the 15 exahash once it's installed, that's one set of operational resourcing and that's one set of corporate resourcing. But given the stage of where we're at as a business: a, we're going through a very large construction program, which Lindsay has spoken about; and b, we've also resourced a lot of development people in the corporate. Because, as I've said before, we're not here to deliver 15 exahash. Our ambitions -- our future outlook is far greater, and we've got the resourcing, we've substantial experience in infrastructure, renewable energy development, looking globally at new sites, new growth opportunities, et cetera. And that's in our corporate cost line today and a function of the growth ambitions that we have.

Joseph Anthony Vafi

Canaccord Genuity Corp., Research Division

That's great color, guys. I appreciate that. And maybe just one follow-up. Clearly, I know you're still selling Bitcoin here at these prices. And it's been the right call to sell it, I think, on the way down instead of hold it. And kind of just looking at your business model in totality here, given relationships with lenders,

balancing that against spot price of Bitcoin, would there be a level where you think that maybe you would hold it at least for a while or something like that? Once again, nice to see the good progress.

Daniel Roberts

Thanks, Joe. Look, we've always said we're open to it. But every decision we make, we want to be a good use of capital. And sitting here today, I don't like it necessarily being described as a great call to be selling Bitcoin high. We're not really in the business of speculating on Bitcoin. We're in the business of building, owning and operating really efficient data centers to mine Bitcoin and generate operational performance from that asset base.

We believe in Bitcoin. We've spent 4, 5 years of our life building a business that is nothing but dedicated to Bitcoin. And personally, we've got a lot of conviction with Bitcoin as an asset outside the platform.

But as we sit here today, the competitive advantage we have as a business is not speculating day-to-day on the price of Bitcoin. We're not traders. Our competitive advantage is the substantial experience and capability of our team in delivering operating infrastructure and data centers, monetizing this emerging and exponential technology.

Do we hold Bitcoin at some point in the future? Sure. Like we're certainly open to it as part of a treasury management policy. But today, when we can reinvest every Bitcoin we're mining today to generate whatever it is, 6, 7, 8 more Bitcoin every 12 months from this point, the compounding strategy and the shareholder value we believe we're delivering over the medium, let alone long term in continuing to scale this business by reinvesting those Bitcoin revenue line, we believe, is a really sound strategy.

Operator

Your next question comes from Reggie Smith with JPMorgan.

Reginald Lawrence Smith

JPMorgan Chase & Co, Research Division

I appreciate all of the color. I was hoping to dig in a little bit on the financing update slide. I appreciate the color there where you show us the \$1 billion of total spend. Curious, how much have you guys spent thus far? And that would include, I guess, hard CapEx as well as deposits. Just trying to get a sense of where you are and what the gap is there.

Daniel Roberts

Sure. I'm happy to take this. Yes, no problems. So to date, we've spent a little bit over \$400 million in CapEx. We've then got close to \$150 million, might be \$140 million today of cash on balance sheet. We've then got some undrawn debt under the NYDIG facility that will be drawn down over the next few months of another \$20-odd million. So there's a substantial amount of capital that's been spent to date, but also a substantial amount that's currently in our control and in the bank account and being allocated on a week-to-week basis towards scaling up to that 15 exahash.

And what that leaves is around \$400 million to hit that \$1 billion of CapEx I mentioned earlier, of which a portion will be funded through ongoing operational cash flow. Again, we're profitable. We've been profitable for a while. That profitability is likely to scale up substantially as Mackenzie and Prince George come online over the next few months. And then the ability to reinvest that to plug a substantial portion of that \$400 million in remaining CapEx above what we've spent and above our cash and undrawn debt facilities puts us in a really good position, particularly in the context.

Again, 10 exahash of hardware unencumbered at \$35 a terahash is \$350 million. If you do it at \$50 a terahash like we've seen a lot of recent deals, that's \$500 million. So we believe the strategy of raising a lot of equity early, incurring that dilution early as founders and as management and early shareholders, both as part of the pre-IPO and IPO has set us up in a really strong position to weather these markets and to look to layer debt solutions in on top of that capital structure.

Operator

Your next question comes from Chase White with Compass Point.

Chase White

Compass Point Research & Trading, LLC, Research Division

So on your -- in Texas, have you guys experienced any issues or delays with permitting? And more broadly, have any regulatory issues surfaced for any of your site locations at this point?

Lindsay James Ward

President

In terms of our Childress location, no. We've been engaging with AEP for a number of months now, certainly well before Christmas. All our studies have been submitted. ERCOT's reviewed them, and we don't see any hold up to our current plan of delivering the first 100 megawatts of buildings by December this year with the energization occurring early in the first quarter of 2023. So all our studies are in. We got in ahead of the game. We didn't wait until the connection agreement was all signed. And so we don't see there is going to be any impact from ERCOT.

Chase White

Compass Point Research & Trading, LLC, Research Division

Got you. And then you have spoken about all of the excess renewable capacity in the Panhandle of Texas. Are there any plans to build transmission lines to export that energy out of the Panhandle? It sounds like there's a lot of capacity waiting to come online potentially. It seems like a lot of capacity to not be able to go anywhere. So I'm just curious kind of your view of the plans there.

Daniel Roberts

I'm happy to take this, Lindsay. Look, there has been discussion as far as I'm aware about potentially building additional transmission line capacity. I'm not on top of whether that's likely to occur in the near term, but the numbers that sit there today are obviously dwarfed in the context of any new transmission line capacity to extend that 12 or so gigawatts in the context of 32 gigawatts operating and another 40 being permitted.

Obviously, there's a substantial amount of power that may wish to be exported down to the load centers. Part of the benefits of this business model -- and people often use the analogy of modern day aluminum smelting, where that industry in many aspects, was built off going to the source of low-cost energy. But the difference there was supply chain and logistics of exporting the end product, the commodity.

With Bitcoin mining, it's truly geographically flexible because you're just broadcasting a digital asset over the Internet. So it's staying up in the Panhandle, staying up in other areas globally, where there's an abundance of low-cost, excess renewables where we can go into that market, provide that firming support. So when the wind blows and the sun shines and there's abundance of cheap power that's negatively priced being curtailed, we can mop up that power. But then being able to turn down our operations and give that power back to the market when the market needs and allow those electrons to flow through transmission line and electrical capacity down to load centers where other industries, retail, et cetera, needs it is essentially the essence of our business model.

Chase White

Compass Point Research & Trading, LLC, Research Division

Got you. And one last one, if I may. Are you guys looking in the spot market for miners, given that you have optionality on additional capacity in Texas? And if so, where are the prices coming in for top-tier miners at this point? And what would drive kind of the decision to purchase more?

Daniel Roberts

At this stage, and since we started this business, the answer to that question is basically no. Like in terms of secondhand units, we're just really reluctant to engage and procure units that have been used in this sector. We're very happy taking new units, particularly from BITMAIN and the other manufacturers we've

used to date knowing that we've got the warranty, knowing that we've got the direct contracts. It's also worth stating that we don't go through intermediaries and brokers. We don't rely on third parties to go and procure those units, which again is a little bit counter to how a lot of businesses operate in this sector.

As I mentioned earlier in the call, no one seems to be buying chips at the moment. And again, like my understanding is the last person to buy chips, the 2 large players in this sector, paid \$80 a terahash 5, 6 months ago for some BITMAIN units.

What would need to happen for us to buy additional units? Look, I think at this stage, we're very happy just building out the capacity that we've secured. That 795 megawatts, as you're probably alluding to, can support 22, 23 exahash of capacity. Let's focus on delivering the 15. Current market conditions, I don't believe makes sense for us to be deploying capital into additional miners. We'd look to prefer to be focused on funding the current debt processes. It's hard enough keeping up with the number of processes we've got live on that front to be thinking about purchasing more units above that 15%.

But we know this market. It can move very quickly, which is why we've got a team that's large, experienced and ready to pivot as the market pivots. And we could end up buying machines earlier than we expect, but technically, we're not in a rush sitting here today.

Operator

Your next question is a follow-up question from Reggie Smith with JPMorgan.

Reginald Lawrence Smith

JPMorgan Chase & Co, Research Division

My question -- and this really has to do with the actual build-out of the Texas facility. I know you guys outlined your strategy. I was hoping you could maybe highlight 2 or 3 key bottlenecks potentially. Or how you -- and how you are managing those kind of bottlenecks as it relates to the build out of that facility just for broader applications.

Lindsay James Ward

President

I think you were a little bit muffled, but I think you're asking 2 of the challenges for the build-out in Childress. I think just answer that in a bit of roundabout way and starting in British Columbia. We've been in that constant build-out program from Canal Flats to Mackenzie to Prince George, and we've assembled a great deal of knowledge, the skill and capability and a great team, and they really do understand managing design risk, supply chain risk and the actual construction side. We're heavily leveraging that knowledge in everything that we do in Childress.

We've brought in -- because of the scale and geographically a reasonable distance away from British Columbia, we've brought in the Wood group. They're a very experienced contractor of both EPC, EPCM design and engineering. We're continuing to work with Stantec, who we've worked with since day 1, and they've developed our standardized data center designs.

And so along with our expertise, the support from Wood and the engineering, now Stantec, we're really lucky to have collective knowledge around where to go and purchase key long-lead equipment where we're actually going to get it here in a time frame. And so we're leveraging Wood's contacts, we're leveraging Stantec's, and we're leveraging our own contacts to make sure that we do manage the supply chain issues. And they're there. There's no doubt about that.

But we remain very comfortable with the delivery dates of our key equipment. We're very committed to that 15 -- or mid, well, December, first 100 megawatts of buildings delivered at this stage. I don't see anything impacting that. There'll be challenges. We'll have to roll with a few punches. We'll have to change things. We'll have to be a bit flexible and nimble, but that's what we do. We're used to doing that, and we continue to do that.

And I was down in Childress this week with our COO and our Vice President of Operations, going through the program, going through the schedule. And we're able to identify a number of things that will build fat

into the schedule. So at this point, the challenges are supply chain, but I think we're managing those. We've got people on the ground. So people typically is a bit of a challenge, but we've got people on the ground now, the Wood team are starting to ramp up. And so I think that would be my 2 issues, and I feel fairly comfortable that we've got them managed at this point in time.

Reginald Lawrence Smith

JPMorgan Chase & Co, Research Division

On the -- just to clarify, like are the lead -- the long-lead time items related primarily to the energizing of the site, whether it's a transformer or something like that? Or are there also things related to structure as well? I'm just trying to understand where the long lead times are. My sense is that it's more power related, but I can be totally wrong here, trying to understand.

Lindsay James Ward

President

Yes. No, no, you're correct. It is mostly around the electrical equipment, the transformers particularly and we actually ordered those pre final design. And when -- that comes back to the knowledge and comfort we have in knowing what we're doing. So rather than wait till absolute final design, we went and ordered the transformers. And the 2 345 kV transforms are pretty large and all the equipment and control works that you need for that. And then you step down into the lower-voltage transformers. We actually ordered that early because we could see this supply chain constraint coming. And so we reacted and we've been able to modify our design to make sure it meets the specification of the transformers that we've ordered.

So it certainly is in the electrical area. We've worked with AEP. And again, they were fantastic in that they were placing orders in advance, booking slots in the knowledge that the contract was about to be executed. And so again, because they are such a large player in that Texas market, they can get -- leverage their relationships to make sure the gear that they need to get the switchyard built, the orders were placed early.

So I think the benefit of us is that we went early and we haven't waited until final design. But it certainly is the electrical items that are causing grief, I think, for many other projects.

Operator

Your next question is a follow-up question from Paul Golding with Macquarie Capital.

Paul Alexander Golding

Macquarie Research

I just wanted to ask, relative to Canal Flats and Mackenzie and your proprietary data center design, are you considering liquid immersion at all, which other miners seem to be considering? And if not, just curious to know if there's any color you can give around your efficiency, which seems to be outpacing expectations, at least at Canal Flats. Just the efficiency of your model versus what liquid immersion might look like.

Daniel Roberts

Good question. So the short answer is we consider everything. We consider everything every day in terms of options, decisions and maintaining that flexibility amongst a focus on also delivering. The reality is we have no intention to use it in the short term, and it being immersion cooling. We've got a fantastic air-cooled design that's been operating in a 100-degree Fahrenheit temperatures at Canal Flats where, as you say, it is outperforming on an operational efficiency basis.

Recall also that we've really built this platform on a basis of risk first. The returns in this sector are extraordinary. We all know that, the risk return of the cash flows, the return on CapEx. Our approach since day 1 has been don't kick an own goal. Get the best facilities up for the long term, generate that operational performance, and the rest takes care of it yourself. We've heard war stories about immersion.

Like I said, before I get into the concerns about immersion, I think the first point to make is -- sorry, there's a bit of feedback coming from the line. There it goes. Is in theory, it makes sense, right. Immersion technology has been around for a long time. Shielding these chips in transformer oil and immersion fluid, protecting them from the elements, being able to operate them at a higher frequency. Sure, the theory is absolutely sound.

The concerns we have is we've heard that 4 months into using that, the capacitors on these chipboards swell up and pop off because they weren't manufactured for immersion. And early players in this space have had to go upstream and work directly with manufacturers to reengineer the hashboards and actually make them fit for purpose in immersion.

I've yet to see data that supports it's more efficient. I see data that supports that you can overclock and run the gear harder and get an efficiency uplift in the sense that you can run them at a higher hashing rate but you still use more energy. And then you've got the longer-term consequences or even medium term of running these machines harder than which they were manufactured to operate at and what the impact that has on asset life.

We understand that a number of miners are doing it, and they're almost potentially forced to do it. If you look at Texas, there's a clear line -- you can go into Google Maps and look at it. But there's a clear line down the state where everything kind of West and North, you're into that arid, dry desert-like climate. But then as you head South and towards the East, you're in a much more humid environment where the weather is stickier. There's a lot more moisture in the air. And people in that sector have had a lot of challenges managing air cooled.

So whether they're using immersion as a way because they believe it's more efficient today and the risk return of pursuing that strategy makes sense or whether it's more running away from an air cooled design in a market and a climatic environment where it doesn't work, I don't know. That's a decision and considerations that those individual players are making.

But if I bring it back, we've got an air cooled design that's outperforming. It works perfectly. Why take the additional risk? We are doing R&D on the side. We are looking at different types of immersion setups. But like everything in this business, it will be very measured, it will be risk-focused first. Don't jeopardize the chipboards, they're expensive. They're going to last a long time. Don't take excessive risk. Just lock it down and build out a long-term, sustainable business.

Operator

There are no further phone question at this time. I'll now hand back to Mr. Roberts for pre-submitted questions.

Daniel Roberts

Wonderful. So I'm just having a look at the pre-submitted questions. This is our first quarterly earnings with pre-submitted. So we might go through some of them and, Lindsay, some of them will be more directed at you, and I'll -- happy to pass over to that.

So the first one I can see, EBITDA and cash flow, what is the breakeven Bitcoin price, both now and when all the miners are deployed?

The short answer is it depends, but that's not an overly helpful answer. The longer answer is today, our April monthly cost of production was around \$8,800 a Bitcoin. That's at a circa USD 0.05 a kilowatt hour power price in British Columbia, which again is 98% renewable energy and 100% after the purchase of RECs.

As we're all aware, as we enter Texas, where over half our machines are expected to be located in Childress, it's a very different market. If you look at a weighted average of \$0.04 across the portfolio, we're back down towards an average Bitcoin price of \$7,000. But the key thing to really reiterate is, again, we own and control all the electrical infrastructure, let alone the land and the data centers and the

computers. By directly interfacing with the market in Texas, we've got the ability to really optimize that power price based on market conditions.

So one of the questions that many of the lenders are asking at the moment is how do we play this out during a downside scenario? If we see Bitcoin really has a temporary drawdown due to volatility, and that's not where we're at today. Like if you look at the cash flows we're generating even at the current Bitcoin price, they're extraordinary, right. We're talking about much, much lower.

There's 2 downside protections that kick in. One is the global hashrate starts dropping as high-cost miners can't pay their power bill, right. People who can't make money are forced to switch off. And we see this throughout history in the data. And one of the good things about this industry is we've now got 12 years of immutable data on this public blockchain where you can go and back test different environments and how it played out.

So as we get closer to a breakeven power price, our breakeven power price will go down. Because as a low-cost miner, we survive as other people switch off, driving up the percentage share of the Bitcoin we are receiving every 10 minutes. So you've got this downside protection and a hedge where, as the price of the commodity here goes down versus other mining industries, the volume you mine goes up, thereby lowering your cost per Bitcoin mined.

And then the second point, to circle back to the power markets, is if our breakeven price of power is lowered, we can just throttle down the chips for more of those high-priced time intervals. So cut out 2% of the hours, come out 5% of the hours, cut out 10% of the hours if you need to and just switch off when the market power price is above your marginal cost of production. So there's a lot of levers. And again, it's all been very deliberate to own and control everything and have those operational levers to ensure that we're set up to thrive in all environments.

In terms of energy costs and where we see these going in the short and longer term, as the second question, I believe we've addressed this.

Number three, regarding the infrastructure build and, Lindsay, I'll pass to you on this. What are the challenges in the present environment, supply chain challenges, cetera. We've probably answered it, but I'll pass to you for any additional comment.

Lindsay James Ward
President

Look, I think we've answered that. I don't really have got a lot more to add.

Daniel Roberts

No problems. And then there's 2 residual questions, which I'll read out but I believe have been answered. One from [Wang Hee Lee], if the Bitcoin price falls below your marginal cost of production, will you keep running at a loss to weed out higher-cost producers or throttle back your production?

Look, the Bitcoin price falling below our marginal cost of production is not a real plausible scenario, to be frank. When you look at the numbers and the commentary I've just provided, the levers we have to pull to drive lowest-cost power in this sector to survive any environment, I think, are really compelling. If we ever got to that point, then we can make that decision. But it's not something that demands much headspace, to be frank, at this stage.

And then the last question was a follow-up written question from Stephen Glagola. A question for Lindsay. On your Childress, Texas site, we saw at the end of March, ERCOT is now requiring transmission service providers to submit interconnection studies for new loads. Is this something you have to do at your Texas site? And do you expect this to cause any delays in your ability to get online in calendar Q1 2023?

Lindsay James Ward
President

I'll detail to that. I think just to confirm, the load studies were submitted a long time ago. We've worked very closely with AEP on some of the other studies that ERCOT required. But we got those in ahead of the latest changes with ERCOT. And we're very comfortable that we don't see anything coming out of the studies that have been done and viewed by ERCOT that would impact that energization date at that first quarter of 2023.

Daniel Roberts

Wonderful. The other point I'll just add to some of the power pricing is, remember, there's a lot of negative-priced power in some of these markets. We see it in Southeast Asia, Asia Pac, where we've got development sites. We see it in Texas. There are actually plausible scenarios in some markets where you can operate with 2 profit centers and no cost center. One, you get paid to take negative power; two, you get paid to monetize that power into Bitcoin. So again, this strategy of targeting low-cost, excess renewables in these markets that, frankly, have overbuilt renewables and then controlling our own platform, the ability to monetize those markets is exactly why we've pursued that strategy.

On that note, we'll have to call it time. Thank you for everyone dialing in. To recap, the next 12 months or so are going to be simply transformational for our company. The Bitcoin price has corrected recently with along the rest of the market, but our business remains profitable. It has been profitable. That profitability will scale substantially as the remainder of Mackenzie and Prince George comes online in the next few months. We remain focused on doing what we said we'd do at the IPO, before the IPO. We control the delivery. We're working hard. We will deliver, and that's been our focus.

We've had a focus on risk. We look to really manage that first. We know the returns are there. We don't rely on hosting. We don't rely on wheeling agreements to get access to transformers behind the meter, where we're putting our destiny in other people's hands. We own and control our own destiny and manage the risk.

We're in this for the long run. We're looking at building, and we continue to build an institutional-grade data center platform and monetize that platform over time through the highest and best use applications. Thanks, everyone, again, for dialing in. Thank you for your ongoing support. It's certainly an exciting time for our business amidst a market that has its day-to-day challenges. But when you zoom out, we're really excited about what lies ahead, both for the industry and also our business more specifically. So once again, -- thank you for dialing in and look forward to catching up with many of you in the near future.

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